

CBSFA

Central Bering Sea Fishermen's Association

Community Development Plan (CDP) for
2003-2005 Multi-Species Community Development Quota (CDQ) Program
2nd Quarter Report 2004

Prepared for:
State of Alaska

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Central Bering Sea Fishermen's Association

I. Quarterly Highlights – 2nd Quarter

- CBSFA representative attended NPFMC meeting in June for the CBSFA's proposal to allow Area 4C fishermen to harvest CDQ & IFQ in Area 4D
- CBSFA representative attended NPFMC meeting in June, Crab EIS adopted
- CBSFA representative attended Board of Fish meeting; Crab Rationalization Implementation Task Force
- MSDH General Manager was elected Chairman of Pacific Northwest Crab Industry Advisory Committee
- MSDH accounting system integrated with CBSFA accounting
- CBSFA transfer to MSDH completed
- CBSFA hired Dr. Jack Tagart in June 2004 to research halibut bycatch in the BSAI.
- CBSFA completed its 2003 Audit in May 2004
- CBSFA management attended Pribilof Islands Collaborative meeting in April 2004
- CBSFA provided housing for the staff of the marine debris cleanup project
- CBSFA Board of Directors held a meeting on April 29, 2004
- CBSFA Member Fishermen held a meeting May 2004
- CBSFA Board of Directors held a meeting on June 1, 2004
- CBSFA local fleet began fishing for CDQ halibut and the CSBFA Halibut Cooperative began buying the CDQ halibut
- CBSFA hired a local crew to deploy the floating docks for mooring of the local fleet and hired dock security
- CBSFA launched local vessels with its Grove crane and hired crane operators
- CBSFA CFO met with Trident Seafoods in Seattle in May 2004 to discuss the CSBFA Halibut Cooperative

II. COMMUNITY DEVELOPMENT

A. PROGRESS TOWARD MULTI-SPECIES GOALS, OBJECTIVES, PROJECTS, AND MILESTONES

Goal 1: Multi-Species Development Project

Objective: Develop a multi-species seafood company and at the same time create a competitive business environment that will attract and hold additional MSD businesses.

Milestone 1: Secure Options and Purchase Agreements

Status: Negotiations held during Q1, 2003.
During Q4 (2003) MSDH LLC, a wholly owned subsidiary of CBSFA, entered into a preliminary agreement to purchase equity stakes in the FV Starlite and FV Starward (pollock catcher vessels) to be included with the other four vessels in the MSD project fleet.
During Q1 2004 MSDH completed the acquisition of the FV Starlite and FV Starward.
The transfer of CBSV to MSDH was completed in Q2 2004.

Milestone 2: Secure final berth, management and marketing agreements

Status: Lease payment for berth made in Q1, 2003.
During Q4 2003 MSDH LLC entered into a Memorandum of Understanding to establish a St. Paul based seafood venture with UniSea.
During Q1 2004 MSDH LLC began preliminary negotiations with Unisea and one other processor to develop the new shore-based processing venture on St. Paul Island. Those negotiations will set the stage for the final terms of the berth, management and marketing agreements.
Q2 2004, negotiations with processing partners is ongoing.

Milestone 3: Exercise Options and Agreements

Status: In June 2003, CBSV LLC, a wholly owned subsidiary of CBSFA, purchased interest in four fishing vessels. CBSV LLC now owns 30% in each of the F/V Fierce Allegiance and F/V Early Dawn. CBSV LLC also owns 40% in each of the F/V Shishaldin and F/V Ballyhoo. These vessels have a diversified fishing history, which was one of the main reasons the CBSFA BOD and management approved investing in these vessels. In addition to having a good fishing history in opilio and Bristol Bay red king crab fisheries, the Early Dawn, Shishaldin and Ballyhoo also have fishing histories in the Aleutian Islands brown king crab fisheries. Besides having an excellent crab history, the Fierce Allegiance is also an American Fisheries Act (AFA) approved pollock catcher vessel with its own share of onshore pollock. In Q1 2004 MSDH completed the acquisition of the FV Starlite and FV Starward, fulfilling the terms of the related Purchase and Sales Agreements.

Goal 2: CDQ Halibut Fishery

Objective: Continue to support and manage the growth of the Local Fleet through innovative CDQ halibut programs. *See also “C-IFQ Project” and “Local Fleet Support Program.”*

Milestone 1: *Continue CDQ Halibut RFP Process*

Status: In March 2004 the CBSFA Board approved the CBSFA Halibut Cooperative Plan for 2004 with CBSFA as the buyer and Trident Seafoods as the custom processor.

Milestone 2: *Conduct CDQ Fishery Management Plan Meeting*

Status: A Fishermen’s Meeting was held on May 6, 2004.

Goal 3: CBSFA Halibut Cooperative

Objective: To raise the ex-vessel prices to the local fleet and reduce the costs associated with CBSFA’s Local Fleet Support Program, including the operations of the Small Boat Harbor.

Milestone 1: Develop CBSFA Halibut Cooperative Business Plan

Status: In March 2004 the CBSFA Board approved the CBSFA Halibut Cooperative Business Plan for 2004 with CBSFA as the buyer and Trident as the custom processor.

Milestone 2: Implement CBSFA Halibut Cooperative Plan

Status: CBSFA began buying CDQ halibut in June and signed a custom processing agreement with Trident.

Milestone 3: Profit Sharing Distribution to Members (if any)

Status: Profit sharing distribution will be paid after the CBSFA CDQ halibut is marketed and sold.

Milestone 4: Annual Review and Report to Board and Members

Status: At the March 25, 2004 CBSFA Board meeting President Lestenkof reported on the results of the 2003 CBSFA Halibut Cooperative and proposed the 2004 CBSFA Halibut Cooperative Business Plan which the board approved.

Goal 4: Local Fleet Support Program

Objective: Develop and facilitate programs that support the growth of the Local Fleet and insure their ability to prosecute the local fisheries. *See also "Education and Training."*

Milestone 1: *Deploy and retrieve floating dock system*

Status: The floating docks were deployed in June 2004 using the CBSFA Grove crane and 9 local people were employed for this project.

Milestone 2: *Provide Vessel Launch and Retrieval services*

Status: Vessels participating in the 2004 CDQ Halibut Fishery were launched in June 2004 using CBSFA's Grove crane and additional launch and retrieval services will be provided as necessary. Ongoing Q2 & Q3 2004.

Milestone 3: *Maintain Launch and Retrieval (crane and trailers) equipment*

Status: From March 17-19, 2004 an inspector from the American Bureau of Crane Inspection came to St. Paul Island and re-certified the Grove Crane RT760E. Replacement items were purchased for one of the CBSFA hydraulic trailers. Q2 2004, maintenance was done to one of the hydraulic trailers and replacement parts were installed on the Grove crane.

Milestone 4: *Provide general Fishermen's Training*

Status: Darren Folkers from the American Bureau of Crane Inspection held a mobile crane safety operation and operators training course from March 17-19, 2004.

Goal 5: Community IFQ Project

Objective: Develop C-IFQ program to support the growth of the Local Fleet and the MSD Project.

Milestone 1: *Advocate for adoption of Pribilof Islands C-IFQ program*

Status: CBSFA submitted its C-IFQ proposal to the NPFMC in late 2002; At the Council's February 2003 meeting, under staff tasking, the Council decided not to take up new proposals at that time. In October 2003, the NPFMC IFQ Implementation Committee reviewed the CBSFA C-IFQ proposal and did not approve the proposal to be analyzed by the NPFMC at this time.

At the December 2003 NPFMC meeting, CBSFA submitted a proposal under the IFQ Program changes being analyzed by the council. CBSFA's proposal: Amend IFQ and CDQ halibut regulations to allow Area 4C fishermen to harvest Area 4C IFQ and CDQ in Area 4D. The council approved this proposal for analysis.

At the June 2004 NPFMC meeting, the council gave this proposal the highest priority.

Milestone 2: *Establish fund for C-IFQ purchases*
Status: Pending NPFMC action. (See Milestone 1)

Milestone 3: *Upon adoption, establish C-IFQ program guidelines*
Status: Pending NPFMC action. (See Milestone 1)

Milestone 4: *Implement C-IFQ program*
Status: Pending NPFMC action. (See Milestone 1)

Goal 6: Vessel Repair and Maintenance Program

Objective: Facilitate repair programs to insure the efficient and safest possible operation of the Local Fleet.

Milestone 1: *Assess Local Fleet Repair Needs*
Status: The local fishermen were surveyed in March 2004.

Milestone 2: *Facilitate a repair and maintenance program based on the assessment*
Status: CBSFC awarded a loan to a vessel owner to hire a local welder to replace the bottom of the vessel's hull. CBSFA provided the welding equipment for this project.

Goal 7: Vessel, Gear and IFQ Loans

Objective: Continue existing loan programs, and expand it to include C-IFQ program when adopted.

Milestone 1: *Annually review loan performance, program goals and budgets*
Status: CBSFC Loan Committee met on December 22, 2003 and reviewed the budgets for 2004, student loans and scholarships, IFQ loans and V/G Loans. On March 10, 2004 a notice was sent to the local fishermen on submitting applications for Vessel, Gear and IFQ Loans.
CBSFC Loan Committee held a meeting to review and approve new V/G Loans on April 16, 2004 and May 110, 2004.

Milestone 2: *Review IFQ Loan program if C-IFQ initiative succeeds*
Status: Pending NPFMC action.

Milestone 3: *Implement Board-approved IFQ program changes if needed*

Status: Due to slow fishing in 4C, no interest in buying IFQs.

Goal 8: Construct Vessel Repair, Maintenance and Storage Facility

Objective: To construct a multiple-use facility that can be utilized for Local Fleet repair work, vessel and crane storage, and other dry storage needs.

Milestone 1: *Finalize building plan including construction finance, land acquisition and operation*

Status: CBSFA will be amending this milestone to have more time to finalize land acquisition, financing and construction issues.

Milestone 2: *Contingent upon securing land, permits and financing, begin construction of facility*

Status: See Milestone 1.

Goal 9: American Seafood Investment

Objective: To continue to participate in this strategic investment, and utilize American Seafoods expertise when appropriate.

Milestone 1: *Monitor and participate in ASC Board activities*

Status: President Phillip Lestenkof attended an American Seafoods BOD Meeting on April 14, 2004 via teleconference.

Milestone 2: *Strengthen relationship to access seafood industry expertise*

Status: CBSFA has a good working relationship with ASC.

Goal 10: F/V Ocean Cape and F/V Zolotoi

Objective: To gain better management/control or exit these vessel partnerships.

Milestone 1: *Implement Exit or Take-over strategies*

Status: A meeting between CBSFC management and vessel partners was held in January 2003 regarding this milestone. CBSFC President and board members met with vessel partners to discuss the Ocean Cape and Zolotoi in the 4th quarter. The partnership agreed that it was in the best interest of all involved to pursue a sale of the F/V Ocean Cape for the highest price possible. Currently negotiating with Keybank and other partners for the best exit option.

Both the Ocean Cape and Zolotoi applied for and were initially accepted in the Vessel Buyback Program.

Goal 11: Small Boat Harbor Project

Objective: To actively represent the Local Fleet's interest in this project.

Milestone 1: *Continue Local share set-aside program*

Status: CBSFA deposited its remaining 2003 SBH set-aside funds on February 29, 2004.

Milestone 2: *Develop SBH Business Plan that includes long-term O&M funding options*

Status: Ongoing. Project review with City and Army Corps of Engineers began December 2003.

Goal 12: Essential Fish Habitat Advocacy & Research Project(s)

Objective: To advocate for Pribilof Islands harvesting and processing interests within the EFH process and to attract research projects to the Pribilof Islands.

Milestone 1: *Secure position in the EFH process, develop EFH strategy*

Status: CBSFA now has a seat on the EFH Committee and the Pribilof Stakeholders organizing committee. At the February 29, 2004 meeting the CBSFA board appointed Phillip Lestenkof to represent CBSFA on the Pribilof Islands Collaborative.

Milestone 2: *Develop EFH Research project(s), secure co-funding*

Status: CBSFA successfully secured funding for 2003, 2004 & 2005 from the North Pacific Research Board (NPRB) for two research projects: Area 4C halibut and Pribilof Blue King Crab. CBSFA and the State of Alaska began developing a crab enhancement research project in Q2 2003. St. Paul fishermen deployed water data recorders in 2002 and 2003 in collaboration with IPHC. CBSFA hired Dr. Jack Tagart in June 2004 to research halibut bycatch in the BSAI.

Milestone 3: *Continue advocacy and research projects*

Status: CBSFA is participating in EFH committee, Fur Seal EIS committee, Pribilof Islands Collaborative meetings and proposed PNCIAC research committee meetings.

Goal 13: Education and Training Programs

Objective: Provide education and training opportunities to members of the community, and to encourage our youth to return to the island with their new skills.

Milestone 1: *CBSFA will fund a scholarship, student loan and training program*

Status: The Loan Committee met on January 11, 2003 to review current loan applications and scholarship applications. A total of 9 scholarships, 1 loan, and 1 training grant were approved. Fall Semester applications for student scholarships, student loans, training grants deadline to apply was June 30, 2003. The CBSFC Loan Committee met on August 6, 2003. 11 students received scholarships, 1 student received a student loan, and 1 student received a training grant. The CBSFC Loan Committee met December 22, 2003 to review applications and award scholarships, student loans, and training grants. 14 scholarships and 2 student loans were approved; they will be distributed in Q1 2004.

Milestone 2: *Review loan performance*

Status: The CBSFC Loan Committee met on December 22, 2003 and reviewed all loans and budgets. The CBSFC Loan Committee met on April 16, 2004 to review all loans and budgets.

Milestone 3: *Review loan and scholarship policies and budgets*

Status: Ongoing.

Goal 14: Community Outreach

Objective: Continue a two-way dialogue with the community through a combination of surveys and newsletters.

Milestone 1: *Continue quarterly newsletter*

Status: A newsletter was distributed in Q1 2004.

Milestone 2: *Continue Member Survey*

Status: The local fishermen were surveyed in March 2004. Ongoing.

Milestone 3: *Continue Board Survey*

Status: Ongoing.

Goal 15: General Management

Objective: Continue to provide effective and efficient management as CBSFA grows and diversifies its business interests.

Milestone 1: *Secure independent financial and performance audits*

Status: KPMG is engaged to perform the 2003 audit of CBSFA, to begin in April 2004. CBSFA completed its 2003 audit in May 2004

Milestone 2: *Provide updated Board training and education*

Status: Mike Jansen, KPMG, was scheduled to come to St. Paul Island for board training in December 2003 but due to unforeseen circumstances he was not able to make the trip. The training was for reading and understanding financial statements, budgets and documents.

Milestone 3: *Review Management performance, organization and projects*

Status: During Q4 2003 the CBSFA Board adopted a plan to restructure CBSFA, and to create two new subsidiaries: Central Bering Sea Holdings, LLC and Multi-Species Development Holdings, LLC. CBSH, LLC was specifically established to manage CBSFA's American Seafoods investment and MSDH, LLC was specifically established to manage CBSFA's MSD assets and project. Q2 2004, the transfer of CBSV, LLC from CBSFA to MSDH, LLC was completed.

Milestone 4: *Review Partner(s) performance*

Status: Received K-1 forms from partners for 2003. Q2 2004, MSDH accounting system integrated with CBSFA accounting system.

Milestone 5: *Provide Staff Training*

Status: Jonathan Thorpe flew to St. Paul in January 2004 to work with Rena Kudrin on the 4th Quarter Report. 1st quarter of 2004 was completed in Anchorage by CBSFA staff to correspond with the 2003 CBSFA Audit by KPMG-Anchorage. CBSFA CFO met with Trident Seafoods in Seattle in May 2004 to discuss the CSBFA Halibut Cooperative. Jonathan Thorpe participated in a seminar provided by Key Bank on derivatives. This is a continuing education towards the maintenance hours need to retain his CPA license.

Milestone 6: *Periodically review Strategic Plan and Five-year Forecast*

Status: Being revised as part of Substantial Amendment 04-01 CB.

Milestone 7: *Participate in NPFMC, IPHC and other appropriate policy forums*

Status: President Phillip Lestenkof attended the Pribilof Islands Collaborative meetings in Anchorage the week of January 15, 2004.
The 2004 IPHC Annual Meeting was held in Juneau, Jan 19-23, 2004; President Lestenkof, Chairman Myron Melovidov, Vice President Robert Melovidov and Boardmember Jason Bourdukofsky attended.
President Lestenkof attended the NPFMC meetings the week of February 2, 2004.
President Lestenkof attended the NPFMC meetings the week of March 29, 2004.
CBSFA management attended Pribilof Islands Collaborative meeting in April 2004.
CBSFA representative attended MPFMC meeting in June for 4C halibut boundary proposal.
CBSFA representative attended NPFMC meeting in June, Crab EIS adopted.
CBSFA representative attended Board of Fish meeting; Crab Rationalization Implementation Task Force.

Goal 16: Investment Fund Policies and Procedures

Objective: Maintain a conservative stance and sufficient liquidity to implement MSD and C-IFQ programs

Milestone 1: Develop Cash Flow model

Status: Maintained cash flow model and projection for Starpartner investment and potential American Seafoods IPO.

Milestone 2: Maintain sufficient liquidity to meet investment strategy

Status: In 1st quarter 2003 CBSFA implemented a funds portfolio allocation at Morgan Stanley, which included liquidity to meet investment needs.

Milestone 3: Monitor portfolio performance and adjust as necessary

Status: In 2nd quarter CBSFA started meeting with Morgan Stanley to discuss options on stocks and market volatility.

B. OUTREACH

- A CBSFA staff member attended the APIA (Aleutian/Pribilof Islands Association) Wellness Conference in February 2004; a case of crab was donated to the conference as a door prize.
- The Alaska Business Development Center brought in tax preparers for the local fishermen and community; CBSFA donated by means of airfare and housing for the tax preparers.
- CBSFA donated to the Aleut Community of St. Paul, Tribal Government Ecosystem Conservation Office for youth education and for the recycling center.
- CBSFA purchased, in part with the City of St. Paul, life slings for all of the docks in the harbor.
- CBSFA donated crab for community fundraisers and potlucks.

C. EMPLOYMENT

1. CBSFA 2004 2nd Quarter Employment Data Form

	2nd Quarter		Year-to-Date		Year-to Date
	Postion/People	Wages	Postion/People	Wages	People
Management/Administrative	5	63,986	5	135,998	5
CDQ Pollock Related					
A/B Season	None		None		
C/D Season	None		None		
Other Fishing	0	0	2	2286	2
CDQ Halibut Fisheries	58	131,975	58	131,975	58
Other Employment	11	7050	11	7050	11
Internships	1	800	1	800	1
Total	75	203,811	77	278,109	77

2. Summary

Management/Administrative: Four local CBSFA members are employed at the St. Paul Island Office. Positions consist of President, Quota Manager, Office Manager, Temp. Admin. Assistant, and Admin. Assistant. The Quota Manager position has been temporarily moved to Anchorage. CBSFA hired Jonathan Thorpe, CPA as Chief Financial Officer.

CDQ Pollock Related (A/B Season): No Activity.

Other fishing: The CBSFA Halibut CDQ fishery started on June 7, 2004 employing local vessels and crews.

Other employment: Deployment of the floating docks employed a crew of 9 and the security of the vessels mooring at the floating docks employs 2 persons.

Internships: CBSFA hired on Danielle Kozloff as Temporary Administrative Assistant.

D. Training

1. CBSFA 2004 2nd Quarter Training Data Form

	12 nd Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
Postsecondary	0	0	14	36,400
Vocational	0	0		
Voch-tech Classes				
Basic	0	0	0	0
Advanced	0	0		
Other Training				
Fisheries related	0	0		
Student Loans	0	0	2	6,250
CDQ Staff/Board	0	0		
Other	0	0		
Other Expenditures				
To Educational Institutes	0	0		
Educational Endowment Funds				
Other	0	0		
Total	0	0	16	42,650

2. Summary

Scholarships: The fall term scholarship application deadline was June 30, 2004 and 14 students applied. The CBSFC Loan Committee will meet during the month of July to review the applications.

Vocational/Technical Grants: The fall term Vocational/Technical grant application deadline was June 30, 2004 and 1 student applied. The CBSFC Loan Committee will meet during the month of July to review the application.

Other Training: No training grants were awarded in 2nd quarter.

Student Loans: The fall term student loan application deadline was June 30, 2004 and 1 student applied. The CBSFC Loan Committee will meet during the month of July to review the application.

Other Expenditures: None

III. ADMINISTRATION

A. Board Activities: None.

B. State of Alaska Reporting Compliance
CBSFA is in compliance with the State of Alaska reporting regulations.

C. Amendment Status

Quarter 1: **SA 04-01:** Amend CBSFA's 2003-2005 CDP, adding Multi-Species Development Holding LLC and add the F/V Starlite and F/V Starward.
 SA 04-02: Transfer Pollock and associated by-catch to BBEDC to be harvested in a pooled fishery.
 SA 04-03: Transfer Atka Mackerel, Flatfish, and associated by-catch to be harvested in a pooled fishery.
 SA 04-04: Addition of F/V Ballyhoo and the shoreside processors Westward and Unisea to CBSFA's 2003-2005 CDP.

D. Other Issues

IV. HARVESTING REPORT

A. Pollock and Multi-species CDQ Harvest by Quarter and Year to Date

1. Consolidated Summary of CDQ Harvesting Activities

2004 Species Transferred into pools for Harvest:

Pollock

American Seafoods Company continues to be CBSFA harvesting partner. To provide for increased utilization and minimize by-catch CBSFA, BBEDC, and CVRF pooled Pollock and by-catch. In 2004 this fishery pool is being harvested by American Seafoods vessels through the CDQ group BBEDC.

Flatfish and Atka Mackerel

To provide for increased utilization of the fishery resource and minimize by-catch CBSFA, BBEDC, YDFDA, and CVRF combined their Atka, Mackerel and Flatfish quotas for harvest by one fishing partner, US Seafoods. In 2004 this fishery pool is being managed by BBEDC.

MS CDQ/PSQ Account Status Report 2004, Quarter 2													
CDQ Group: CBSFA	Units	Initial Allocation	Transferred	Transferred	Allocation	CDQ / PSQ Catch Reported				YTD	Percent	CDQ / PSQ	Percent
CDQ Reserve Category		Amount	In	Out	after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Harvest	Harvested	Remaining	Remaining
BS Pollock	mt	7,460.000		7460.000	0.000					-	-	-	-
Pacific Cod	mt	1,454.670		65.000	1,389.670	288.133	506.451			794.584	57.2%	595.086	42.8%
BS FG Sablefish	mt	46.400		0.000	46.400	31.478	13.120			44.598	96.1%	1.802	3.9%
AI FG Sablefish	mt	13.950		0.000	13.950					0.000	0.0%	13.950	100.0%
BS Sablefish	mt	9.810		5.500	4.310					0.000	0.0%	4.310	100.0%
AI Sablefish	mt	4.640		2.500	2.140					0.000	0.0%	2.140	100.0%
WAI Atka Mackerel 543	mt	124.000		121.000	3.000					0.000	0.0%	3.000	100.0%
CAI Atka Mackerel 542	mt	186.640		183.000	3.640					0.000	0.0%	3.640	100.0%
EAI/BS Atka Mackerel 541	mt	67.440		65.700	1.740	0.448	0.010			0.458	26.3%	1.282	73.7%
Yellowfin Sole	mt	516.480		420.000	96.480					0.000	0.0%	96.480	100.0%
Rock Sole	mt	246.000		235.000	11.000	1.367	0.060			1.427	13.0%	9.573	87.0%
BS Greenland Turbot	mt	16.240		6.000	10.240	2.100	1.375			3.475	33.9%	6.765	66.1%
AI Greenland Turbot	mt	4.200		2.000	2.200					0.000	0.0%	2.200	100.0%
Arrowtooth Flounder	mt	81.000		55.000	26.000	7.936	6.055			13.991	53.8%	12.009	46.2%
Flathead Sole	mt	128.250		98.000	30.250	1.999	1.737			3.736	12.4%	26.514	87.6%
Other Flatfish	mt	18.000		13.000	5.000	0.018	0.001			0.019	0.4%	4.981	99.6%
Alaska Plaice	mt	37.500		14.000	23.500					0.000	0.0%	23.500	100.0%
BS Pacific Ocean Perch	mt	6.360		4.500	1.860					0.000	0.0%	1.860	100.0%
WAI Pacific Ocean Perch 543	mt	35.120		30.100	5.020					0.000	0.0%	5.020	100.0%
CAI Pacific Ocean Perch 542	mt	17.520		16.500	1.020					0.000	0.0%	1.020	100.0%
EAI Pacific Ocean Perch 541	mt	18.320		17.300	1.020					0.000	0.0%	1.020	100.0%
Northern Rockfish	mt	0.000		N/A	N/A					N/A	N/A	N/A	N/A
Shortraker Rockfish	mt	0.000		N/A	N/A	0.056	0.568			N/A	N/A	N/A	N/A
Rougheye Rockfish	mt	0.000		N/A	N/A					N/A	N/A	N/A	N/A
BS Other Rockfish	mt	2.450		0.900	1.550	0.076	0.244			0.320	20.6%	1.230	79.4%
AI Other Rockfish	mt	3.840		1.900	1.940					0.000	0.0%	1.940	100.0%
Other Species	mt	0.000		N/A	N/A	112.754	133.641			N/A	N/A	N/A	N/A
PSQ Reserve Category													
Zone 1 Red King Crab	ea	1,182.000		850.000	332.000					0.000	0.00%	332.000	100.0%
Zone 1 Bairdi Tanner Crab	ea	5,880.000		3,300.000	2,580.000					0.000	0.00%	2,580.000	100.0%
Zone 2 Bairdi Tanner Crab	ea	17,820.000		13,300.000	4,520.000					0.000	0.00%	4,520.000	100.0%
Opilio Tanner Crab	ea	26,100.000		16,000.000	10,100.000					0.000	0.00%	10,100.000	100.0%
Pacific Halibut (mortality)	mt	30.870		13.000	17.870	0.122	0.858			0.980	5.48%	16.890	94.5%
Chinook Salmon	ea	109.000		109.000	0.000					-	-	-	-
Non-Chinook Salmon	ea	158.000		158.000	0.000					0.000	-	0.000	-

B. Pollock and Multi-species CDQ Harvest Activities by Target Fishery

2. Pollock Harvesting Activities for 2004, Quarter 2 (No harvesting activity occurred during the 2nd quarter.)

2004 BBEDC, CBSFA, & CVRF Pollock Pool

	Transferred In			Total 2004	CDQ Catch By Group			Total ASC	Percent of	(Over)/
	BBEDC	CBSFA	CVRF	Pollock Pool	BBEDC	CBSFA	CVRF	CDQ Catch	CDQ Caught	Under (mt)
	31,332.000	7,460.000	35,808.000	74,600.000	12,572.377	2,993.423	14,368.430	29,934.230	40.1%	44,665.770
	12,532.800	2,984.000	14,323.200	29,840.000	12,572.377	2,993.423	14,368.430	29,934.230	100.3%	-94.230
	18,799.200	4,476.000	21,484.800	44,760.000						
	90.000	25.000	100.000	215.000	81.990	22.775	91.100	195.864	91.1%	19.136
	54.000	15.000	51.000	215.000	81.990	22.775	91.100	195.864	91.1%	19.136
	36.000	10.000	34.000	0.000	0.000	0.000	0.000	0.000	0.0%	0.000
	2.000	1.000	2.000	5.000	0.004	0.002	0.004	0.011	0.2%	4.989
el	2.000	0.700	2.000	4.700	0.011	0.004	0.011	0.025	0.5%	4.675
	30.000	20.000	25.000	75.000	4.900	3.267	4.084	12.251	16.3%	62.749
	110.000	30.000	105.000	245.000	93.038	25.374	88.809	207.222	84.6%	37.778
ot	2.000	2.000	4.000	8.000	0.047	0.047	0.095	0.189	2.4%	7.811
	35.000	20.000	30.000	85.000	2.821	1.612	2.418	6.852	8.1%	78.148
	75.000	28.000	69.000	172.000	37.676	14.066	34.662	86.403	50.2%	85.597
	15.000	5.000	10.000	30.000	3.509	1.170	2.339	7.018	23.4%	22.982
	20.000	4.000	20.000	44.000	0.261	0.052	0.261	0.575	1.3%	43.425
arch	3.500	1.000	3.000	7.500	0.014	0.004	0.012	0.031	0.4%	7.469
	1.000	0.400	0.700	2.100	0.080	0.032	0.056	0.167	8.0%	1.933
Quota										
rab	300.000	100.000	300.000	700.000	0.531	0.177	0.531	1.239	0.2%	698.761
	1,000.000	300.000	1,000.000	2,300.000	3.408	1.022	3.408	7.839	0.3%	2,292.161
	2,000.000	300.000	2,000.000	4,300.000	8.316	1.247	8.316	17.880	0.4%	4,282.120
	6,000.000	1,000.000	7,000.000	14,000.000	0.000	0.000	0.000	0.000	0.0%	14,000.000
	6.000	3.000	7.000	16.000	2.000	1.000	2.334	5.334	33.3%	10.666
	457.000	109.000	500.000	1,066.000	232.234	55.391	254.085	541.710	50.8%	524.290
on	662.000	158.000	730.000	1,550.000	0.000	0.000	0.000	0.000	0.0%	1,550.000

3. Pacific Cod Harvesting Activities for 2004 Quarter 2

CBSFA Pacific Cod Target Fishery Harvest Activity Second Quarter as of June 30, 2004								
CDQ Reserve Category	Units	Alloc. after	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target
		transfers						Harvest
A Season (60%)	mt	833.802	287.875	373.538			661.413	79.3%
B Season (40%)	mt	555.868		132.911			132.911	23.9%
Pacific Cod Total	mt	1,389.670	287.875	506.449	0.000	0.000	794.324	57.2%
Bycatch								
Non Quota Pollock	mt	N/A	30.327				30.327	-
BS FG Sablefish	mt	-						-
AI FG Sablefish	mt	-						-
EAI/BS Atka Mackerel 541	mt	-		0.010			0.010	
Yellowfin Sole	mt	-					0.000	-
Rock Sole	mt	-	0.367	0.060			0.427	-
BS Greenland Turbot	mt	-	0.056				0.056	-
AI Greenland Turbot	mt	-						-
Arrowtooth Flounder	mt	-	0.342	3.719			4.061	-
Flathead Sole	mt	-	1.999	1.737			3.736	-
Other Flatfish	mt	-	0.018				0.018	-
Alaska Plaice	mt	-					0.000	-
BS Pacific Ocean Perch	mt	-						-
WAI Pacific Ocean Perch 543	mt	-						-
CAI Pacific Ocean Perch 542	mt	-						-
EAI Pacific Ocean Perch 541	mt	-						-
BS Northern Rockfish	mt	-						-
BS Other Rockfish	mt	-		0.003			0.003	-
AI Other Rockfish	mt	-						-
Other Species	mt	-	112.754	133.641			246.395	-
PSQ Reserve Category								
Zone 1 Red King Crab	ea	332.000					0.000	
Zone 1 Bairdi Tanner Crab	ea	2,580.000						
Zone 2 Bairdi Tanner Crab	ea	4,520.000					0.000	
Opilio Tanner Crab	ea	10,100.000					0.000	
Pacific Halibut (mortality)	mt	17.870	0.122	0.858			0.980	
Chinook Salmon	ea	0.000						
Non-Chinook Salmon	ea	0.000						

a. Summary of harvesting activities by target fishery (Pacific Cod)

Pacific Longline Association harvested 57.2% of the total Pacific Cod target allocation as of June 30, 2004.

b. Summary of by-catch in Pacific Cod fishery

No significant by-catch problems to date. Note: CDQ groups are no longer individually allocated 'Other Species.'

4. Sablefish (Black Cod) Harvesting Activities for 2004 Quarter 2

Sablefish Target Fishery Harvest Activity Second Quarter as of June 30, 2004								
CDQ Reserve Category	Units	Allocation					∑TD Harvest	% of Target Harvest
		after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
BS FG Sablefish	mt	46.400	31.478	13.120			44.598	67.8%
AI FG Sablefish	mt	13.950					0.000	
BS Sablefish (trawl)	mt	4.310						
AI Sablefish (Trawl)	mt	2.140						
Bycatch								
Non Pollock Quota	mt	N/A						-
Pacific Cod	mt	-	0.258	0.002			0.260	-
WAI Atka Mackerel 543	mt	-						-
CAI Atka Mackerel 542	mt	-						-
EAI/BS Atka Mackerel 541	mt	-	0.448				0.448	-
Rock Sole	mt	-	0.001				0.001	-
BS Greenland Turbot	mt	-	2.044	1.375			3.419	-
AI Greenland Turbot	mt	-						-
Arrowtooth Flounder	mt	-	7.594	2.336			9.930	-
Other Flatfish	mt	-		0.001			0.001	
Northern Rockfish	mt	N/A						-
Shortraker Rockfish	mt	N/A	0.056	0.568			0.624	-
Rougheye Rockfish	mt	N/A						-
BS Other Rockfish	mt	-	0.076	0.241			0.317	-
AI Other Rockfish	mt	-						-
Other Species	mt	N/A						-

a. Summary of harvesting activities by target fishery (sablefish)

To date, the F/V Ballyhoo harvested 67.8% of CBSFA's Bering Sea Fixed Gear Sablefish allocation using pot gear.

b. Summary of by-catch in the Sablefish fishery

By-catch is minimized through the use of pot gear. No unusual by-catch to report.

5. Atka Mackerel / Flatfish Harvesting Activities for 2004 Quarter 2
Flatfish Pool Fishery Harvest by Group, Second Quarter as of June 30, 2004

CDQ Reserve Category	Units	Initial Allocation	Transferred In				CDQ Catch by Group				
			CBSFA	CVRF	YDFDA	Total	BBED C	CBSF A	CVRF	YDFDA	Total
Pacific Cod	mt	3,394.230	40.000	120.000		3,674.230	10.189	3.135	9.405	9.405	32.133
BS Sablefish	mt	23.980	4.500	5.500	16.000	49.980	0.000	0.000	0.000	0.000	0.000
AI Sablefish	mt	11.600	2.500	3.750	7.500	25.350	0.000	0.000	0.000	0.000	0.000
WAI Atka Mackerel	mt	232.500	121.000	220.000	270.000	843.500	0.000	0.000	0.000	0.000	0.000
CAI Atka Mackerel	mt	349.950	183.000	325.000	410.000	1,267.950	18.843	10.263	18.226	22.993	70.326
EAI/BS Atka Mackerel	mt	126.450	65.000	110.000	140.000	441.450	101.050	59.173	100.139	127.450	387.812
Yellowfin Sole	mt	1,549.440	400.000	270.000	1,600.000	3,819.440	471.574	134.735	90.946	538.941	1,236.197
Rock Sole	mt	707.250	185.000	65.000	570.000	1,527.250	117.365	48.250	16.953	148.663	331.231
BS Greenland Turbot	mt	40.600	4.000	17.000	16.000	77.600	0.000	0.000	0.000	0.000	0.000
AI Greenland Turbot	mt	11.400	2.000	4.000	5.000	22.400	0.000	0.000	0.000	0.000	0.000
Arrowtooth Flounder	mt	198.000	35.000	19.000	140.000	392.000	0.333	0.087	0.047	0.348	0.815
Flathead Sole	mt	299.250	70.000	102.000	120.000	661.250	0.000	0.000	0.000	0.000	0.000
Other Flatfish	mt	54.000	8.000	1.250	30.000	93.250	7.221	2.222	0.347	8.332	18.122
Alaska Plaice	mt	157.500	10.000	140.000	75.000	382.500	1.992	0.166	2.324	1.245	5.727
BS Pacific Ocean Perch	mt	22.260	3.500	13.580	11.000	50.340	0.000	0.000	0.000	0.000	0.000
WAI POP 543	mt	58.350	30.100	55.000	63.000	206.450	0.000	0.000	0.000	0.000	0.000
CAI POP 542	mt	32.850	16.500	30.000	33.000	112.350	21.539	13.411	24.383	26.822	86.155
EAI POP 541	mt	34.350	17.300	32.000	32.000	115.650	1.929	1.236	2.286	2.286	7.737
BS Other Rockfish	mt	6.650	0.500	1.500	1.500	10.150	0.000	0.000	0.000	0.000	0.000
AI Other Rockfish	mt	8.640	1.900	1.000	4.500	16.040	0.275	0.131	0.069	0.309	0.784
Other Species	mt					24.406					24.406
PSQ Reserve Category											
Zone 1 Red King Crab	ea	3,103.000	750.000	1,200.000	1,600.000	6,653.000					
Zone 1 Bairdi	ea	17,640.000	3,000.000	3,000.000	12,000.000	35,640.000					
Zone 2 Bairdi	ea	51,233.000	13,000.000	20,000.000	40,000.000	124,233.000					
Opilio Tanner Crab	ea	78,300.000	15,000.000	25,000.000	45,000.000	163,300.000					

Pacific Halibut	mt	75.460	10.000	8.000	40.000	133.460	8.954	2.487	1.990	9.949	23.379
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6. Crab Harvesting Activities, 2004 Quarter 2

Crab Harvest									
Second Quarter as of June 30,									
CDQ Reserve	Unit	Annual Allocatio	1st	2nd Qtr	3rd	4th	YTD Harvest	Percen Harvested	Remaining Allocatio
Bering Sea <i>C. Opili</i> (snow) Tanner crab	lb	356,41	353,80				353,80	99.3	2,60
Bering Sea <i>C. Baird</i> Tanner crab	lb	N/A							
Bristol Bay Red King crab	lb	TBD							
Norton Sound Red King crab	lb	N/A							
Pribilof Red & Blue King	lb	Close							
St Matthew Blue King crab	lb	Close							

a. Summary of harvesting activities by target fishery (*C. Opilio*)

No crab harvesting activity occurred during the second quarter of 2004. In Quarter 1 of 2004 the F/V Shishaldin and F/V Early Dawn harvested 99.3% of CBSFA's *C. Opilio* Allocation.

b. The GHL has not been determined for the 2004 BBRKC.

7. Halibut Harvesting Activities for 2004 Quarter 2

Halibut Harvest Activity									
Second Quarter as of June 30, 2004									
CDQ Reserve Category	Units	Annual Allocation	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
4B Halibut	lbs	0						-	-
4C Halibut	lbs	731,000.00	0	89,382	-	-	89,382	12.2%	641,618
4D Halibut	lbs	0						-	-
4E Halibut	lbs	0						-	-

a. Summary of harvesting activities by target fishery (Halibut)

Harvesting activities began for CBSFA in June, as of June 30, 2004 12.2% of CBSFA's Halibut allocation was harvested.

b. Summary of by-catch in the Halibut fishery

No by-catch to report, all vessels are below 60 feet.

C. Compliance / Enforcement Issues

- No Pollock or Other Groundfish violations occurred in the second quarter of 2004.

D. Other Fishing Issues/Activities

NONE

V. CONFIDENTIAL ISSUES

A. Financial Statements

B. Tax Issues

Corporate Restructuring.

C. Imminent Major Investments

F/V Starlite & F/V Starward.

D. Other

1. Board Minutes

The minutes for the following board meetings are attached:

-CBSFA Regular BOD Meeting April 29, 2004

-CBSFA Regular BOD Meeting June 1, 2004